



INOMIN MINES INC.
(an Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(unaudited – prepared by management)

SIX MONTHS ENDED SEPTEMBER 30, 2021 AND SEPTEMBER 30, 2020

(Expressed in Canadian Dollars)

INOMIN MINES INC.

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of Inomin Mines Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by a Company's auditor.

Vancouver, Canada

November 26, 2021

INOMIN MINES INC.**UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
(Expressed in Canadian Dollars)

	September 30, 2021	March 31, 2021
ASSETS		
Current		
Cash	\$ 690,959	\$ 378,347
Receivables	18,778	1,561
Temporary investment (Notes 6(i))	142,500	77,500
	852,237	457,408
Security deposit on mineral properties (Note 6(iv))	55,000	55,000
Exploration and evaluation assets (Note 6)	466,417	261,491
	\$ 1,373,654	\$ 773,899
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 11)	\$ 122,264	\$ 43,515
Flow-through premium liability (Note 10)	45,232	-
	167,496	43,515
SHAREHOLDERS' EQUITY		
Share capital (Note 7(b))	2,079,611	1,707,040
Reserve (Note 7(e))	177,459	164,973
Deficit	(1,050,912)	(1,141,629)
	1,206,158	730,384
	\$ 1,373,654	\$ 773,899

Nature of operations and going concern (Note 1)**Significant event** (Note 10)**Subsequent event** (Note 12)**Approved and authorized by the Board****On behalf of the Board:**"Evilio Gomez-Garcia" Director"George Pietrobon" Director

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

INOMIN MINES INC.**UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

	For the three months ended		For the six months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
EXPENSES				
Filing fees	\$ 12,995	\$ 11,175	\$ 14,573	\$ 12,239
Interest and bank charges	610	122	589	144
Investor communications	31,010	1,971	34,765	2,579
Listing fees	-	-	-	-
Management fees (Note 8(b))	18,000	18,000	36,000	36,000
Office costs	4,410	2,327	5,432	2,327
Professional fees	25,273	25,580	34,242	25,580
Share-based compensation (Note 7(c))	-	-	-	-
	(92,298)	(59,175)	(125,601)	(78,869)
LOSS ON TEMPORARY INVESTMENT	-	-	-	(898)
RECOVERY IN EXCESS OF COST (Note 6(i))	190,000	81,663	190,000	81,663
RECOGNITION OF FLOW-THROUGH PREMIUM LIABILITY (Note 10)	26,318	-	26,318	-
GAIN AND COMPREHENSIVE GAIN FOR THE PERIOD	124,020	22,488	90,717	1,896
DEFICIT AT BEGINNING OF PERIOD	(1,174,932)	(1,065,995)	(1,141,629)	(1,045,403)
DEFICIT AT END OF PERIOD	\$ (1,050,912)	\$ (1,043,507)	\$ (1,050,912)	\$ (1,043,507)
GAIN (LOSS) PER COMMON SHARE				
Basic and diluted	\$ 0.005	\$ 0.001	\$ 0.004	\$ (0.000)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic and diluted	24,200,159	16,619,196	24,200,159	16,619,196

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

INOMIN MINES INC.**UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserve	Deficit	Total
Balance at March 31, 2020	16,584,264	\$ 1,134,329	\$ 137,184	\$ (1,045,403)	\$ 226,110
Shares issued for cash					
- exercise of warrants	250,000	25,000	-	-	25,000
- private placement	-	-	-	-	-
Share-based compensation	-	-	-	-	-
Gain and comprehensive gain for the period	-	-	-	1,896	1,896
Balance at September 30, 2020	16,834,264	\$ 1,159,329	\$ 137,184	\$ (1,043,507)	\$ 253,006
Balance at March 31, 2021	24,474,264	\$ 1,707,040	\$ 164,973	\$ (1,141,629)	\$ 730,384
Shares issued for cash	-	-	-	-	-
- private placement					
- flow-through	2,862,000	286,200			286,200
- non-flow-through	1,170,000	117,000			117,000
Finders fees	-	(18,143)	-	-	(18,143)
Finders warrants	-	(12,486)	12,486	-	-
Share-based compensation	-	-	-	-	-
Gain and comprehensive gain for the period	-	-	-	90,717	90,717
Balance at September 30, 2021	28,506,264	\$ 2,079,611	\$ 177,459	\$ (1,050,912)	\$ 1,206,158

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

INOMIN MINES INC.**UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

	For the six months ended	
	September 30, 2021	September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net gain for the period	\$ 90,717	\$ 1,896
Items not involving cash:		
Recovery in excess of cost	(190,000)	(81,663)
Loss on temporary investment	-	898
Flow-through premium recovery	(26,318)	-
Changes in non-cash working capital items:		
Increase in receivables	(17,217)	(2,988)
Increase in accounts payable and accrued liabilities	78,749	66,089
Net cash used in operating activities	(64,069)	(15,768)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of temporary investment	-	41,602
Exploration costs, net of recovery	(79,926)	85,000
Net cash (used in) provided by investing activities	(79,926)	126,602
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds received on private placement, net of finders fees	456,607	400,500
Exercise of warrants	-	25,000
Net cash provided by financing activities	456,607	425,500
CHANGE IN CASH FOR THE PERIOD	312,612	536,334
CASH AT THE BEGINNING OF THE PERIOD	378,347	18,831
CASH AT THE END OF THE PERIOD	\$ 690,959	\$ 555,165

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

INOMIN MINES INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Inomin Mines Inc. (the "Company" or "Inomin") was incorporated under the Business Corporations Act (British Columbia) on August 23, 2012 and is an exploration stage public company whose shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "MINE". The Company's principal purpose is the identification, acquisition, and exploration and evaluation of mineral property interests.

These unaudited condensed interim consolidated financial statements are prepared on a going basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company is in the process of exploring and developing its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to fund property commitments and to complete the exploration and development of the properties and upon achieving future profitable production or proceeds from the disposition thereof.

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. While the pandemic has not yet had a material impact on the Company, the potential economic effects within the Company's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Company's activities. The extent of the impact of this outbreak and related containment measures on the Company's activities cannot be reliably estimated at the date of approval of these unaudited condensed interim financial statements.

There is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future or on terms that are favourable to the Company. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these unaudited condensed interim consolidated financial statements.

The Company's principal place of business is Suite 1130 – 400 Burrard Street, Vancouver, British Columbia, V6C 3A6, Canada.

2. BASIS OF PRESENTATION***Statement of Compliance***

These unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

INOMIN MINES INC.
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2. BASIS OF PRESENTATION (cont'd)

The interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual audited consolidated financial statements of the company for the year ended March 31, 2021.

The accounting policies applied in preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2021.

The Company's interim results are not necessarily indicative of its results for a full year.

Basis of Measurement

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Basis of consolidation

These unaudited condensed interim consolidated financial statements include the financial statements of the Company and its 100% controlled Mexican subsidiary, Minera Rio Dorado S.A. de C.V. The Company's subsidiary has been consolidated since the date of acquisition or incorporation. All intercompany transactions and balances have been eliminated.

Critical estimates and judgements

The preparation of these unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ significantly from these estimates.

Critical judgements

Significant judgements made by management affecting the unaudited condensed interim consolidated financial statements include:

Going concern

The preparation of these unaudited condensed interim consolidated financial statements requires management to make judgements regarding the ability of the Company to continue as a going concern as previously discussed in Note 1.

INOMIN MINES INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. BASIS OF PRESENTATION (cont'd)

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Acquisitions

Management uses judgement in determining if an acquisition is a business combination or an asset acquisition.

Key sources of estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates made by management affecting the unaudited condensed interim consolidated financial statements include:

Share-based payments and share issue costs

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the option or warrant, volatility, dividend yield, risk-free discount rate and rate of forfeitures and making assumptions about them.

INOMIN MINES INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES

Refer to the audited consolidated financial statements for the year ended March 31, 2021 for a summary of other significant accounting policies.

Flow-through shares and private placement units

At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received (i.e., the “flow-through share premium”) as follows:

- Share capital – the market value of the share.
- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature based on the residual value method.
- Warrants – recorded as reserves based on the residual value method.

Thereafter, as qualifying resource expenditures are incurred, these costs are expensed and the flow-through share premium is amortized to profit or loss on a pro-rata basis.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued and recorded to profit or loss.

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the quoted market price of the common shares at the time the units are priced, then to the flow-through tax premium, if any and thereafter to warrants.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed the recent, but not yet effective, accounting pronouncements issued by the IASB. None of the upcoming accounting pronouncements are expected to have a material impact on the Company’s unaudited condensed interim consolidated financial statements.

INOMIN MINES INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. FINANCIAL INSTRUMENTS AND RISKS**Classification of financial instruments**

The carrying values of accounts payable and accrued liabilities as at September 30, 2021 approximate their fair values due to their short term nature. The carrying value of security deposit on mineral properties approximates its fair value, as it is held in a deposit account with a financial institution at a market rate of interest.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not observable for the asset or liability.

As at September 30, 2021, the cash and fair value of the temporary investment were based on level 1 of the fair value hierarchy. The 500,000 shares of Maritime Resources Corp. were valued at the closing trading price of Maritime Resources Corp.'s common shares of \$0.155 per share for a total fair value of \$77,500. Subsequent 500,000 common shares were valued at the closing trading price of \$0.13 per share for a total fair value of \$65,000.

Risk management

The Company has exposure to the following risks from its financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying values of cash and security deposit on mineral properties shown on the consolidated statement of financial position. The cash and security deposit on mineral properties are held with high credit quality financial institutions, management considers the risk of loss on these financial instruments to be minimal.

Market risk:

Market risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of currency risk, interest rate risk and other price risk. The Company is exposed to market risk with respect to fluctuations in the fair value of its temporary investment in marketable securities. The Company's exposure to market risk is limited to the carrying value of temporary investment.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do so at excessive cost. As at September 30, 2021, the Company had unencumbered cash of \$690,959 (2020 - \$154,665) and a temporary investment of \$142,500 (2020 - \$77,500), to settle liabilities of \$122,264 (2020 - \$90,172) which are subject to normal trade terms.

INOMIN MINES INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for uncertainty arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing.

(i) Acquisition and Disposition of King's Point Property

On August 12, 2016, Inomin signed a definitive agreement to acquire 100% of the King's Point property in the Green Bay area of Newfoundland (the "Property") for a one-time payment of 2,750,000 escrowed common shares of Inomin at \$0.07 per share and a 2.5% net smelter royalty ("NSR") in favour of the vendor, of which 1.5% of the NSR is purchasable by Inomin for \$1 million.

The acquisition of the King's Point property received final TSX-V acceptance and closed effective January 20, 2017. On January 31, 2017 the Company also entered into an Operator Agreement with the vendor to operate exploration and mining programs under the Company's direction and at its discretion on the King's Point Property for a period of 2 years. Pursuant to the Operator Agreement, the Company would have paid a management fee to the operator equal to 10% of all exploration expenditures defined under the terms of the agreement except for contracts in excess of \$100,000, for which a management fee of 5% would have had to be paid.

On May 16, 2018, the Company entered into an agreement to option its 100% owned King's Point Property in Newfoundland to Maritime Resources Corp. ("Maritime").

Under the terms of the Option Agreement, Maritime has exercised its option effective September 15, 2021 and has earned a 100% interest in King's Point by spending \$600,000 in exploration, making cash payments of \$300,000 to the Company, and issuing 2,000,000 Maritime common shares to the Company, in accordance with the following schedule.

<u>Date for Completion</u>	<u>Payment</u>	<u>Common Shares to be Issued</u>	<u>Expenditures (cumulative)</u>
On signing Option Agreement	\$ 25,000 (received)	-	-
Three (3) business days following approval by the Exchange ("Approval Date")	-	500,000 (received)	-
1st anniversary of Approval Date	\$ 50,000 (received)	500,000 (received)	\$ 75,000 (expended)
2nd anniversary of Approval Date	\$ 100,000 (received)	500,000 (received)	\$ 150,000 (expended)
3rd anniversary of Approval Date	\$ 125,000 (received)	500,000 (received)	\$ 375,000 (expended)
Total	\$ 300,000	2,000,000	\$ 600,000

The Project has a 1% NSR which can be purchased from the Company for \$500,000, and an underlying NSR of 2.5% of which 1.5% can be purchased for \$1,000,000.

As at March 31, 2021, the second anniversary 500,000 Maritime shares were valued at the quoted value of \$77,500.

As at September 30, 2021, the third anniversary 500,000 Maritime shares were valued at the quoted value of \$65,000.

INOMIN MINES INC.NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in Canadian Dollars)**6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

Balance, September 30, 2019		\$	95,838
Less: (a) Maritime Resources Corp – option proceeds			
(i) 2nd anniversary – cash payment			
		\$	100,000
(ii) 2nd anniversary – 500,000 shares at a quoted price of \$0.155 per share			77,500
			(177,500)
			(81,662)
Recovery in Excess of Cost			81,663
Balance, September 30, 2020 – nominal cost		\$	1
Less: (b) Maritime Resources Corp – option proceeds			
(iii) 3rd anniversary – cash payment			
		\$	125,000
(iv) 3rd anniversary – 500,000 shares at a quoted price of \$0.13 per share			65,000
			190,000
			190,001
Recovery in Excess of Cost			(190,000)
Balance, September 30, 2021 – nominal cost		\$	1

(ii) Acquisition of Fleetwood Property

On March 28, 2018, the Company entered into an agreement to acquire 100% interest in the Fleetwood zinc-copper-silver-gold property located in the New Westminster mining division of south-western British Columbia for the aggregate consideration of \$37,000 (the "Fleetwood Agreement") comprising:

- \$10,000 cash:
 - \$1,000 paid on March 30, 2018; and
 - \$9,000 paid on April 11, 2018.
- 200,000 of the Company's common shares, issued during fiscal 2019.
- The TSX-V approved the transaction on April 9, 2018.

Balance, September 30, 2019 and September 30, 2020		\$	37,000
Exploration costs			1,314
Balance, September 30, 2021		\$	38,314

INOMIN MINES INC.

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6. EXPLORATION AND EVALUATION ASSETS (cont'd)*(iii) Acquisition of La Gitana and Pena Blanca Properties*

On May 23, 2019, the Company entered into a non-binding letter of intent to purchase 100% interest in La Gitana property in Oaxaca State, Mexico from Gunpoint Exploration Ltd. ("Gunpoint") and paid an initial non-refundable deposit of \$10,000. The letter of intent expired without entry into a formal agreement, however, negotiations continued, and an agreement was entered into on July 31, 2020.

The purchase agreement was subsequently amended and on February 28, 2021 the Company acquired a 100% interest in the La Gitana and Pena Blanca properties for 1,000,000 common shares of Inomin, \$25,000 cash, and the grant of a 1.5% NSR payable to Gunpoint on the Pena Blanca property (with an option for Inomin to purchase 0.5% of the NSR at any time for \$1,000,000). La Gitana is subject to an existing 3% NSR to a third-party which will be assumed by the Company. The TSX-V approved the transaction on March 24, 2021.

Balance, September 30, 2019		\$	10,000
Technical report	\$	8,000	
Balance, September 30, 2020		\$	18,000
Property acquisition - cash	\$	25,000	
- 1,000,000 shares at fair value of \$0.12 per share		120,000	
Property taxes		11,700	
Technical report		225	156,925
Balance, March 31, 2021		\$	174,925
Consulting fees		29,350	
Consulting expenses		18,205	47,555
Balance, September 30, 2021		\$	222,480

INOMIN MINES INC.NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in Canadian Dollars)**6. EXPLORATION AND EVALUATION ASSETS (cont'd)***(iv) Acquisition of Beaver-Lynx Property*

In the previous fiscal period, the Company acquired the Beaver and Lynx nickel-cobalt properties located in the Cariboo region of south-central British Columbia.

On March 27, 2020, the B.C. Ministry of Energy, Mines and Petroleum Resources extended registering work requirements for all existing mineral claims to December 31, 2021.

During this period, the Company was issued Mines Act permits on the proposed program of mineral exploration on both the Beaver and Lynx properties by posting a reclamation security deposit amounting to \$55,000.

Also during 2021, the Company acquired additional mineral claims to join the Beaver and Lynx properties into a single property (Beaver-Lynx). Mineral claims were also acquired in the Lynx area to cover a strong magnetic target.

Balance, September 30, 2019		\$	15,167
Cost of staking and acquisitions	\$	23,724	
Analysis and evaluation		2,847	
Technical report		7,000	33,571
Balance, September 30, 2020		\$	48,738
Cost of staking			827
Balance, March 31, 2021		\$	49,565
Geophysics	\$	24,850	
Drilling		131,207	156,057
Balance, September 30, 2021		\$	205,622
Total Exploration and Evaluation Assets as at September 30, 2020		\$	103,739
Total Exploration and Evaluation Assets as at September 30, 2021		\$	466,417

INOMIN MINES INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)

7. SHARE CAPITAL

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued and Outstanding – 28,506,264 as at September 30, 2021

During the year ended September 30, 2021

(i) *Private Placement – Flow-Through (“FT”) and Non-Flow-Through (“NFT”) Units.*

On August 25, 2021, the Company closed the first tranche of the private placement consisting of 2,862,000 FT Units and 446,000 NFT Units, each FT Unit and NFT Unit comprised one common share and one-half warrant. On September 24, 2021, the second tranche of the private placement closed consisting of 724,000 NFT Units.

(ii) *Acquisition of Canada Metals Ltd.*

On April 30, 2020, the Company entered into an agreement to acquire Canada Metals Ltd. (“Canada Metals”), a private Australian company backed by Melbourne-based investment management firm Peak Asset Management Pty Ltd. (“Peak”) for 1,000,000 common shares at \$0.05 per share. Canada Metals had at the time of acquisition, \$50,000 in cash, no liabilities and no current business operations.

On October 27, 2020, Inomin amended the acquisition price for all of the outstanding shares of Canada Metals to one million common shares of the Company. The original consideration was two million common shares and two million share purchase warrants of the Company.

On December 14, 2020, the TSX-V approved the transaction and the Company closed the acquisition.

(iii) *Private Placement*

On October 7, 2020, the Company closed its non-brokered private placement for 5,340,000 common shares, for gross proceeds of \$400,500. As consideration for Peak introducing subscribers to the Company under the Private Placement, Peak paid a finder’s fee of \$20,000 cash, a management fee equal to 1% of funds raised and a capital raising fee of 7% of funds raised. Peak is also entitled to 266,666 Inomin common share purchase warrants (each a “Warrant”), with each Warrant entitling the holder to purchase an additional share at an exercise price of \$0.08 per share until December 31, 2022.

(iv) *Acquisition of La Gitana and Pena Blanca Properties*

On February 28, 2021, the Company acquired a 100% interest in the La Gitana and Pena Blanca properties for 1,000,000 common shares at \$0.12 per share and \$25,000 cash.

(v) *Warrants and Options Exercised*

In February 2021, 200,000 warrants and 100,000 options were exercised to net the Company \$25,000.

During the year ended of September 30, 2020:

(vi) *Stock Options*

On October 9, 2019, 300,000 stock options as described in (c(ii)), were granted.

(vii) *Warrants Exercised*

In August 2020, 250,000 warrants were exercised to net the Company \$25,000.

INOMIN MINES INC.
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2021 AND 2020
 (Expressed in Canadian Dollars)**
7. SHARE CAPITAL (cont'd)

c) Stock Options

The Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to Directors, Officers, and technical consultants of the Company, non-transferable options to purchase common shares exercisable for a period of up to 5 years from the date of grant, provided that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares.

- (i) On June 21, 2019, the Company granted 400,000 stock options to a Director and a consultant of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.05 per common share for a period of 5 years, expiring on June 21, 2024. Total compensation was valued at \$12,831 using the Black-Scholes option pricing model. The following assumptions were used: share price - \$0.04, exercise price - \$0.05, expected life – 5 years, annual historical volatility – 160.65%, dividend rate – 0%, risk free rate – 1.37%.
- (ii) On October 9, 2019, the Company granted 300,000 stock options to a Director of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.05 per common share for a period of 5 years, expiring on October 9, 2024. Total compensation was valued at \$8,194 using the Black-Scholes option pricing model. The following assumptions were used: share price - \$0.03, exercise price - \$0.05, expected life – 5 years, annual historical volatility – 160.89%, dividend rate – 0%, risk free rate – 1.32%.

During the year ended September 30, 2021, 100,000 stock options were exercised for proceeds of \$5,000. The market price of the Company's common shares on the date of exercise was \$0.175 per share.

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price
Outstanding and exercisable, September 30, 2019	1,340,000	\$ 0.10
Granted	300,000	0.05
Outstanding and exercisable, September 30, 2020	1,640,000	0.08
Exercised	(100,000)	0.05
Outstanding and exercisable, September 30, 2021	1,540,000	\$ 0.08

As at September 30, 2021, the following stock options were outstanding and exercisable:

Expiry date	Number of options	Exercise price	Remaining contractual life (years)
April 18, 2022	540,000	\$ 0.10	0.55
June 28, 2023	400,000	\$ 0.10	1.74
June 21, 2024	300,000	\$ 0.05	2.73
October 9, 2024	300,000	\$ 0.05	3.02
	1,540,000		

On October 5, 2021, 1,300,000 stock options were granted (See Subsequent Event Note 12).

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7. SHARE CAPITAL (cont'd)

d) Warrants

The following table summarizes the continuity of the Company's warrants:

	Number of warrants	Weighted average exercise price
Outstanding and exercisable, September 30, 2019	7,403,459 \$	0.10
Exercised	(250,000)	(0.10)
Outstanding and exercisable, September 30, 2020	7,153,459	0.10
Exercised	(200,000)	(0.10)
Granted at fair value of \$27,789	266,666	0.08
Granted at fair value of \$12,486	144,900	0.15
Granted – Private Placement	2,016,000	0.15
Outstanding and exercisable September 30, 2021	9,381,025 \$	0.11

As at September 30, 2021, the following warrants were outstanding and exercisable:

Expiry date	Number of options	Exercise price	Remaining contractual life (years)
January 30, 2022	6,953,459	\$ 0.10	0.34
December 31, 2022	266,666	\$ 0.08	1.25
August 25, 2023	1,798,900	0.15	1.90
September 24, 2023	362,000	0.15	2.00
	9,381,025		

e) Reserve

The reserve of \$177,459 (September 30, 2020 - \$137,184) comprises the grant date fair value of options issued to Directors of \$68,904 in prior years, the grant date fair value of options issued to agents of \$13,505, the grant date fair value of warrants issued as finders' fees of \$3,039 and the grant date fair value of options issued to Directors of \$30,711 on June 28, 2018, the grant date fair value of options issued to Director and consultant of \$12,831 on June 21, 2019 and the grant date fair value of options issued to Director of \$8,194 on October 9, 2019, the grant date fair value of the finders warrants of \$27,789 on July 7, 2020 and the grant date fair value of the finders warrants of \$12,486 on August 25, 2021.

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8. RELATED PARTY TRANSACTIONS***Key Management Personnel***

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

Total key management personnel compensation were as follows:

	For the three months ended		For the six months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Share-based compensation (a)	\$ -	\$ -	\$ -	\$ -
Management fees (b)	18,000	18,000	36,000	36,000
Total	\$ 18,000	\$ 18,000	\$ 36,000	\$ 36,000

- a) Share-based compensation represents the fair value of options granted to key management personnel.
- b) The Company provides compensation to its Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Corporate Secretary, or companies controlled by each of them, in the amount of monthly fees of \$3,000 for the CEO, \$2,000 for the CFO and \$1,000 for the Corporate Secretary, which commenced April 1, 2017.

Commencing October, 2021, compensation in the amount of monthly fees was increased to \$5,000 for the CEO, \$2,500 for the CFO and \$2,000 for the Corporate Secretary.

The balance due to the Company's current Directors and Officers included in accounts payables and accrued liabilities was \$7,984 as at September 30, 2021 (2020 – \$63,587). These amounts are unsecured, non-interest bearing and payable on demand.

9. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above internally determined capital guidelines and calculated risk management levels.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets. The way in which the Company manages capital has not changed for the period ended September 30, 2021.

The Company is not subject to any externally-imposed capital requirements.

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10. SIGNIFICANT EVENT

On July 26, 2021, the Company announced a non-brokered private placement of securities to raise total gross proceeds of up to \$1,000,000 (the "offering"). The Offering was comprised of a combination of non-flow-through units (the "NFT Units") sold at a price of \$0.10 per NFT Unit and flow-through units (the "FT Units") sold at a price of \$0.125 per FT Unit. Each NFT Unit was comprised of one non-flow-through common share and one-half (0.5) of one warrant. Each FT Unit was comprised of one flow-through common share and one-half (0.5) of one warrant. The warrants for all units are subject to the same terms, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share for a period of 2 years from the date of issuance at an exercise price of \$0.15.

The Company closed its first tranche of the private placement on August 25, 2021 for aggregate gross proceeds of \$402,350 which consists of 2,862,000 FT Units and 446,000 NFT Units. The Company closed its second tranche of the private placement on September 24, 2021 for aggregate gross proceeds of \$72,400 which consists of 724,000 NFT Units.

In connection with this private placement, the Company paid aggregate finders' fees of \$18,143 and 144,900 finders' warrants valued at \$12,486. The fair value attributed to the finders' warrants was determined using the Black-Scholes valuation model using the following assumptions: Risk free interest rate of 0.45%, expected life of two years, and volatility rate of 173.00%. Each finders' warrant entitles the holder to purchase one-half of one common share of the Company at a price of \$0.15 per finders' warrant share for a period of 24 months to August 25, 2023

Flow-through premium liability	
Balance – September 30, 2020	\$ -
Flow-through premium liability additions	-
Settlement of flow-through premium to income	-
Balance, March 31, 2021	-
Flow-through premium liability additions	71,550
Settlement of flow-through premium to income	(26,318)
Balance, September 30, 2021	\$ 45,232

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11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

	September 30, 2021	March 31, 2021	September 30, 2020
Legal counsel	\$ 7,775	\$ 2,773	\$ 22,369
Management fees	6,250	6,250	43,750
Audit	-	14,000	-
Report writing	-	-	15,750
Beaver Lynx - exploration	81,086	-	-
Property taxes – La Gitana	11,700	11,700	-
Subsidiary expenses	9,585	5,546	-
Others	5,868	3,246	8,303
	<u>\$ 122,264</u>	<u>\$ 43,515</u>	<u>\$ 90,172</u>

12. SUBSEQUENT EVENT

On October 5, 2021, the Company granted 1,300,000 stock options under the Company's stock option plan to officers, directors, and an advisor to the Company. The options are exercisable until October 5, 2026 at a price of \$0.10 per common share, and vest immediately.